



Hon. Robert T. Matsui

Member of Congress

www.house.gov/matsui/

Robert T. Matsui
Serving California's 5th District

FOR IMMEDIATE RELEASE
Wednesday, July 17, 2002

CONTACT: CODY HARRIS
(202) 225-7163/(202) 225-0564

PRESIDENT SHOULD READ THE WRITING ON WALL STREET

Matsui responds to continued White House push for Social Security privatization

WASHINGTON, DC—Today, the President's Press Secretary, Ari Fleischer, reiterated the President's support for proposals to privatize Social Security. The comments came in response to repeated questions from Ways and Means Social Security Subcommittee Ranking Member Robert Matsui (D-CA) and other Democratic Leaders.

When asked about the wisdom of investing Social Security funds into the stock market given the recent wave of corporate scandals and volatile stock prices, Fleischer responded, "The president believes it is the right long-term policy. He thinks it's good for young people if they want to pursue this on a voluntary basis...It's not the president's job to counsel people about investment decisions."

Congressman Matsui responded, "It may not be the President's job to counsel people about investment decisions, but it should be his job to protect the retirement security of working families. That means rejecting Social Security privatization once and for all."

The President's Social Security Commission unveiled three privatization plans, all of which diverted Social Security funds into the stock market. Recent actuarial analyses reveal that the plans will require significant benefit cuts across the board, as well as hefty general revenue subsidies to finance the private accounts. Thus far, President Bush has refused to bring his plans for a vote, or even to endorse one of them. Republicans have gone silent on the issue of Social Security, especially as the stock market has slid and Wall Street has been hit with a wave of corporate scandals.

"We have long asserted that privatization is the wrong approach to Social Security. Privatization will cut benefits and replace retirement security with investment anxiety," said Matsui. "Privatization has never made sense. The American people are watching their 401(k)s and retirement savings vanish in the stock market. The last thing they should have to worry about is that their Social Security benefits will follow suit."

"The President really should rethink his approach, now that he has empirical evidence showing that privatization is not a prudent policy," continued Matsui. "But if he remains committed to this misguided policy, he and his Republican colleagues in the House have an obligation to bring these plans for a vote before the election."

###